

# FINAL BILL REPORT

## 2SSB 6468

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### C 314 L 08

Synopsis as Enacted

**Brief Description:** Concerning the taxation of honey beekeepers.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators King, Rasmussen, Roach, Hobbs, Honeyford, Hewitt and Sheldon).

**Senate Committee on Agriculture & Rural Economic Development**

**Senate Committee on Ways & Means**

**House Committee on Finance**

**Background:** Farmers who sell agricultural products at wholesale are exempt from the business and occupation (B&O) tax. Agricultural products include any product of plant cultivation or animal husbandry including a product of horticulture, grain cultivating, vermiculture (worms), viticulture (grapes), or privately cultured aquatic products, or a bird, or insect, or the substances obtained from such an animal.

A farmer is defined as a person engaged in the business of growing, raising, or producing, upon the farmer's own land or land which a person has a present right of possession (rented land). Hives are often rented to provide pollination service for crops on lands owned or rented by others.

Businesses with activities subject to the B&O tax but generate less than \$12,000 per year in gross income are not required to register with the Department of Revenue. Honey and bee products produced on an apiarist's own farm is not subject to the B&O tax. However, income from the sale of honey, pollination services and bee products produced off the apiarist's own farm that exceeds the \$12,000 annual threshold is required to be reported to the Department of Revenue and is subject to the B&O tax.

**Summary:** Beekeepers are exempt from the following taxes:

- the B&O tax on the wholesale sale of honey and honey bee products;
- the B&O tax on bee pollination services; and
- the sales and use tax on the sale of pollinating bees.

To qualify for these tax exemptions, beekeepers must be registered with the Department of Agriculture. These tax exemptions expire on July 1, 2013.

#### **Votes on Final Passage:**

Senate	46	2	
House	93	0	(House amended)
Senate	46	2	(Senate concurred)

**Effective:** July 1, 2008